

*NC Legislative Commission on Global Climate Change  
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# DuPont, Climate Change and Sustainable Growth

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# DuPont Today

- A global science company solving problems in ways that makes people's lives better, safer and easier
- 135 plants and 80 R&D facilities in 70 countries
  - 5 facilities in North Carolina
- Major business segments
  - Agriculture and Nutrition
  - Coatings and Color Technologies
  - Electronics and Communications
  - Performance Materials
  - Safety and Protection



Swimsuit made with  
DuPont Sorona® bio-based polymer  
produced in Kinston, NC

# Company Heritage

- Founded in 1802 as a manufacturer of black powder
- Deeply ingrained concern for employee health and safety
- Core Values grew from this concern
  - Safety, health and environmental stewardship
  - Integrity and high ethical standards
  - Fair and respectful treatment of people
- Going forward in our third century...
  - We recognize our operations have global impact
  - Challenge: address issues in a way that makes business sense

# Our Goal: “Sustainable Growth”

- We define “Sustainable Growth” as
  - Increasing shareholder *and* societal value...
  - While decreasing the footprint<sup>†</sup> of our operations...
  - Along the value chains in which we operate
- Sustainable Growth is aligned with our core value of safety, health and environmental stewardship

<sup>†</sup>Footprint = injuries, illnesses, incidents, waste, emissions, and depletable forms of raw materials and energy

# Our View on Global Climate Change

- CFC/Ozone issue in the 1980's helped us understand the implications of environmental issues that are global in scope and decades-to-centuries in duration
- Global climate change is an extension of this experience
- We've studied the science and concluded there is reasonable cause for concern
- We recognize this is a global issue but we also recognize our greenhouse gas (GHG) emissions are significant
- We decided to take responsible action to reduce our emissions footprint and be part of the solution

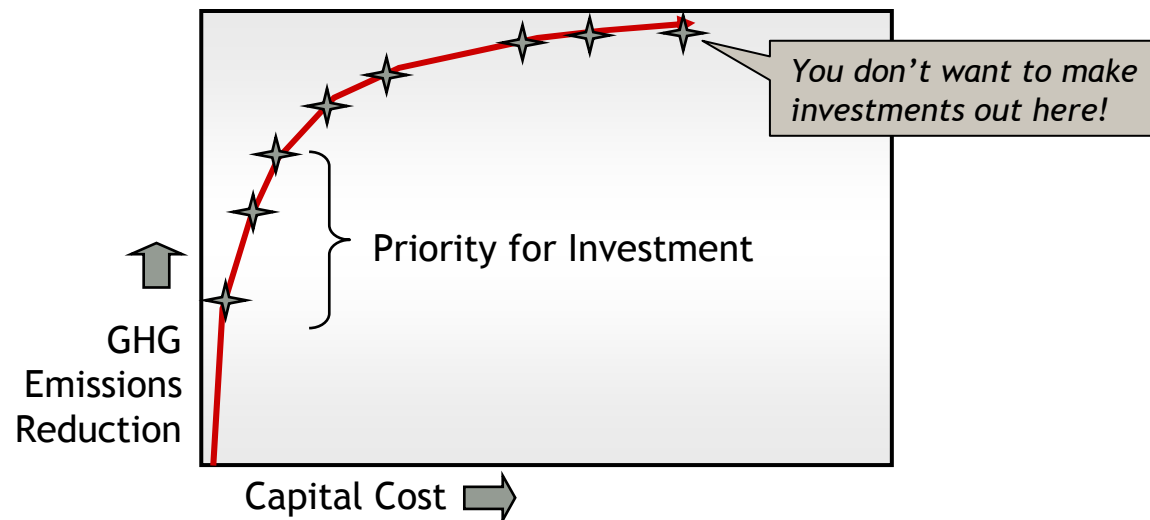
# DuPont's "Footprint" Commitment

- In 1999, we committed to achieve the following by 2010
  - Reduce greenhouse gas emissions by 65% versus 1990
  - Hold total energy use flat versus a 1990 baseline
  - Supply 10% of total energy needs from renewable resources at a cost competitive with best fossil-derived alternatives
- Progress is reported annually to public via "DuPont Sustainable Growth Progress Report" and 1605(b) report

» [http://www2.dupont.com/Social\\_Commitment/en\\_US/SHE/usa/us1.html](http://www2.dupont.com/Social_Commitment/en_US/SHE/usa/us1.html)

# Approach to Greenhouse Gas Goal

- Develop inventory of global emissions and track over time
  - CO<sub>2</sub> and other greenhouse gases (nitrous oxide, HFC-23, etc.)
- Identify emission reduction opportunities
- Implement projects that reduce the most, cost the least



# “Flat” Energy Use Goal

- Our most challenging goal is to keep energy use flat
- If you make **more** pounds, you must use **less** energy/pound
- Improving the energy efficiency of existing plants is tough
  - Energy use is dispersed among hundreds of discrete devices
  - Inefficiencies are usually invisible
  - Data required to pinpoint losses is frequently unavailable
  - On-site expertise to make improvements is limited
  - Energy efficiency is not a product quality variable



# Motivating Plants to Use Less Energy

- Our plants must learn how to improve something our customers generally don't care about: energy efficiency
- Rising energy prices and our focus on Sustainable Growth are providing the necessary motivation to work on it
- And we've taken a strategic approach to help them
  - Set annual energy reduction targets at our largest plants
  - Appointed champions to lead site energy efficiency programs
  - Engaged Plant Managers to drive accountability for results
  - Created a "Center of Competency" to share best practices
  - Standardized our improvement methodology (Six Sigma)

## So How Are We Doing vs. Our Goals†?

- Greenhouse gas emissions are down **60%** from 1990 levels
- Total energy consumption has decreased **6%** while production has increased 41%
  - Over \$2 Billion in savings since 1991 vs. “business as usual”
- Over **5%** of our total energy is supplied from renewables
  - Largest contributors are landfill gas and wood projects

*†Data is for calendar year 2004 and excludes divested Invista® operations.*

# And Others Have Recognized Our Work



DECEMBER 12, 2005 **BATTLING CLIMATE CHANGE/Online Extra**

## Top Companies of the Decade

*BusinessWeek*, Climate Group, and a panel of judges compiled this ranking based on total reduction of greenhouse gases (GHGs), results relative to company revenues, and management's leadership on environmental issues over the past ten years

Company	2004 Sales \$ Billions	Metric Tons	% Reduction
<b>1 DuPont</b>	\$27.5	65 million	72
Reduced energy consumption 7% below 1990 levels, saving more than \$2 billion - - including at least \$10 million a year by using renewable sources			

# This Just In...

**Ceres** *Investors and Environmentalists for Sustainable Prosperity*

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Read: 2006 Corporate Governance and Climate Change: Making the Connection

**BP and DuPont Receive Top Scores in First-Ever Ranking of 100 Global Companies on Climate Change Strategies**

*March 21, 2006*

# Our Products Can Help Others Reduce

- We also provide a broad array of enabling technologies that can help our customers reduce *their* GHG footprint
  - Biofuels and bio-based raw materials like bio-propanediol (PDO) for Sorona® polymer
  - Engineered plastics and composites for lightweight autos
  - Tyvek® housewrap
  - Fuel cells
  - Photovoltaic system components
  - Kevlar® windmill blades



DuPont Tyvek® Housewrap

# In Conclusion

- We believe enough is known about global climate change to provide a basis for concern and warrant prudent action
- We have set aggressive goals to reduce our environmental footprint, including greenhouse gas emissions and energy
- We are making good progress on all of our goals and are on track to meet our 2010 commitments
- Climate change is an environmental *and* economic challenge and a successful strategy must address *both*



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